

Exhibit 51

Deposition of Andrew Zimbalist, Ph.D.
(September 25, 2017) (excerpted)

PUBLIC COPY - REDACTED

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEVADA

- - - - - x

Cung Le, Nathan Quarry, John Fitch

Brandon Vera, Luis Javier Vazquez,

and Kyle Kingsbury on behalf of

themselves and all others

similarly situated, Case No.

Plaintiffs, 2:15-cv-01045-RFB(PAL)

V.

Zuffa, LLC, d/b/a Ultimate,

Fighting Championship and UFC,

Defendants.

- - - - - x

HIGHLY CONFIDENTIAL

VIDEOTAPED DEPOSITION OF

ANDREW ZIMBALIST, Ph.D.

Northampton, Massachusetts

Magna Legal Services Reported By:

(866) 624-6221 MaryJo O'Connor, RMR/CSR

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Page 150

1 A. I can't point you to any journal 01:05:51
 2 article. 01:05:54
 3 Q. In picking a yardstick, would you 01:05:55
 4 agree with the statement that you should 01:06:07
 5 identify a firm or firms that are similar 01:06:09
 6 to Zuffa in all respects except for the 01:06:14
 7 impact of the alleged antitrust violation? 01:06:18
 8 A. I believe that, as I said a 01:06:22
 9 moment ago, that you try to pick 01:06:26
 10 comparators that have as much in common 01:06:29
 11 with the base enterprise or industry as 01:06:32
 12 possible but vary in the important respect 01:06:34
 13 that you're trying to identify. 01:06:38
 14 Q. So what you have said is slightly 01:06:43
 15 different than what I said, and I want to 01:06:45
 16 explore that. 01:06:47
 17 So you're using the phrase "as 01:06:48
 18 much in common," and I'm using "similar in 01:06:51
 19 all respects except for the impact of the 01:06:54
 20 alleged antitrust violation," right? 01:06:56
 21 A. Okay. 01:06:58
 22 Q. Is it the appropriate standard 01:06:58
 23 that you should identify a firm or firms 01:07:05
 24 that are similar to Zuffa in all respects 01:07:07
 25 except for the impact of the alleged 01:07:09

Page 151

1 antitrust violation? 01:07:11
 2 MR. CRAMER: Objection. Asked 01:07:13
 3 and answered. Also object to the 01:07:13
 4 extent it calls for a legal 01:07:16
 5 conclusion. But asked and answered, 01:07:17
 6 and form. 01:07:18
 7 A. If you're asking me -- 01:07:19
 8 Q. My question is -- 01:07:21
 9 A. If you're asking me wouldn't it 01:07:22
 10 be desirable to have everything exactly the 01:07:24
 11 same except the level of competition, I 01:07:26
 12 would say yes. 01:07:28
 13 We're doing the real world, not a 01:07:29
 14 laboratory experiment here, and so you try 01:07:32
 15 to find as much as possible in common 01:07:34
 16 except for the variable that you're trying 01:07:36
 17 to identify the impact of. That's what I 01:07:38
 18 believe. 01:07:40
 19 Now, if you want to use just 01:07:40
 20 [REDACTED] 01:07:46
 21 percentage, because I didn't consider some 01:07:46
 22 higher percentage information, if you want 01:07:49
 23 to use just boxing, I'll come out with 01:07:52
 24 larger. And they're not identical in other 01:07:55
 25 respects, but they're very similar. 01:07:58

Page 152

1 Q. But you've already told me, 01:08:00
 2 however, you would not do a benchmark 01:08:00
 3 analysis. You wouldn't even have taken the 01:08:04
 4 case if you're doing a benchmark analysis 01:08:05
 5 based on only one of the sports. 01:08:07
 6 A. No, you were talking about 01:08:08
 7 identifying multiple variables of 01:08:10
 8 influence. 01:08:12
 9 Q. All right. Am I correct that if 01:08:12
 10 you were doing a benchmark analysis based 01:08:13
 11 on only one of the five sports, you would 01:08:18
 12 have declined to do that analysis? 01:08:21
 13 A. No. Again, the context in which 01:08:23
 14 you asked me that was you wanted me to 01:08:25
 15 produce a methodology and be able to 01:08:29
 16 separate out various causal influences on 01:08:31
 17 the share being paid to labor. 01:08:34
 18 If I had boxing data for enough 01:08:37
 19 years, I could do a multiple regression 01:08:40
 20 analysis that might have enough data in it 01:08:44
 21 and might enable me to make a different 01:08:46
 22 kind of an estimate. Which to my mind it's 01:08:49
 23 always preferable to have more data and, in 01:08:51
 24 this case, to have more sports, more 01:08:55
 25 comparators, than fewer comparators. 01:08:58

Page 153

1 Q. Would you have taken the case if 01:09:02
 2 you were asked to do a benchmark analysis 01:09:04
 3 based on a comparison to boxing with the 01:09:06
 4 data you have? 01:09:08
 5 MR. CRAMER: Incomplete 01:09:11
 6 hypothetical. Form. 01:09:13
 7 A. So if I knew what I know today in 01:09:14
 8 terms of the amount of boxing data that I 01:09:19
 9 have -- 01:09:22
 10 Q. Yes. 01:09:22
 11 A. -- and I was back in last 01:09:22
 12 December when I was approached about 01:09:24
 13 working on this case, would I have taken 01:09:26
 14 the case? 01:09:28
 15 Q. Correct. 01:09:29
 16 A. I would have to think about it. 01:09:29
 17 Q. Now, going back to -- I 01:09:30
 18 understand you've told me what would be 01:09:41
 19 desirable -- it would be desirable to have 01:09:44
 20 everything exactly the same. That's not my 01:09:46
 21 question. 01:09:48
 22 In the standards of your 01:09:48
 23 profession as an economist conducting a 01:09:50
 24 yardstick analysis, do you agree that using 01:09:52
 25 a yardstick approach you should attempt to 01:09:56

Page 230	Page 232
<p>1 that in individual cases there would be 02:45:14 2 argumentation as well. 02:45:18 3 But, yes, I can see the argument 02:45:20 4 that would support that. 02:45:22 5 Q. Do you agree that exclusive 02:45:23 6 contracts may be pro-competitive by 02:45:25 7 encouraging long-term usually advantageous 02:45:27 8 business relationships? 02:45:29 9 MR. CRAMER: Objection to form. 02:45:29 10 Incomplete hypothetical. Objection 02:45:30 11 to the extent it calls for a legal 02:45:31 12 conclusion. 02:45:33 13 A. And could you read it one more 02:45:33 14 time? 02:45:35 15 Q. Do you agree within your -- as an 02:45:35 16 economist that exclusive contracts may be 02:45:38 17 pro-competitive by encouraging long-term 02:45:40 18 mutually advantageous business 02:45:44 19 relationships? 02:45:44 20 A. I think so, but -- 02:45:49 21 MR. CRAMER: Objection to form. 02:45:49 22 A. I think so. But I think only in 02:45:49 23 the context where the contracts are entered 02:45:51 24 into in a competitive framework. 02:45:52 25 Q. And when you say "an exclusive 02:45:53</p>	<p>1 Q. Yes. 02:46:57 2 A. A competitive relationship 02:46:57 3 between the two? 02:46:59 4 Q. Yes. 02:47:00 5 A. I do have an opinion. 02:47:00 6 Q. What is that? 02:47:02 7 A. That there is not. 02:47:03 8 Q. You mentioned before some other 02:47:08 9 sports that were mentioned in Zuffa 02:47:22 10 articles. There are, obviously, other 02:47:25 11 sports besides -- 02:47:27 12 A. Right. 02:47:28 13 Q. -- besides the five you've 02:47:29 14 chosen. 02:47:31 15 A. Yes. 02:47:31 16 Q. Can you consider using as 02:47:33 17 potential yardsticks other sports than the 02:47:35 18 five you selected such as soccer, tennis, 02:47:37 19 golf? 02:47:40 20 A. Yes. 02:47:40 21 Q. And you didn't select them. Why? 02:47:41 22 MR. CRAMER: Compound question. 02:47:45 23 Go ahead answer. 02:47:48 24 Q. I think we agree you didn't 02:47:53 25 select them. 02:47:57</p>
Page 231	Page 233
<p>1 contract is entered into a competitive 02:46:01 2 framework." 02:46:03 3 A. No. Entered into in a 02:46:04 4 competitive framework. 02:46:05 5 Q. Well, I'm talking about exclusive 02:46:06 6 contracts here. 02:46:08 7 A. Right. 02:46:09 8 Q. Okay. So what is an exclusive 02:46:10 9 contract that's entered into in a 02:46:11 10 competitive framework? 02:46:13 11 MR. CRAMER: Objection to form. 02:46:14 12 Incomplete hypothetical. 02:46:15 13 A. The two parties that enter into 02:46:15 14 the contract, the one that is selling the 02:46:22 15 service is an entity that has an option to 02:46:25 16 sell to others so that they can enter into 02:46:30 17 the contract but get competitive bids for 02:46:34 18 the service that they're offering. 02:46:37 19 Q. And do you have an opinion one 02:46:38 20 way or another whether there is a 02:46:44 21 competitive environment currently within 02:46:45 22 the MMA industry, at least between Bellator 02:46:48 23 and UFC? 02:46:53 24 A. Whether there is a competitive 02:46:54 25 environment? 02:46:56</p>	<p>1 A. I would first like to explain 02:47:58 2 that on many occasions I was nodding at 02:47:59 3 counsel and the court reporter asked me to 02:48:04 4 speak out. So rather than nod, sometimes I 02:48:04 5 say yes. I didn't mean to interrupt. 02:48:06 6 So, counsel, are you with me? 02:48:09 7 Q. I'm with you. Don't worry about 02:48:15 8 me. 02:48:18 9 A. All right. So with regard to 02:48:18 10 soccer, I don't know if you'd like me to 02:48:19 11 talk about MLS or European leagues, but 02:48:22 12 we're mostly talking about the U.S. market. 02:48:26 13 There is something called Major League 02:48:29 14 Soccer. Major League Soccer is what is 02:48:32 15 known as a single entity. They hire -- 02:48:33 16 Q. Can I make -- I apologize for 02:48:36 17 interrupting. I want to make sure you're 02:48:39 18 answering the question because we kind of 02:48:41 19 got off the question. 02:48:42 20 Can you explain to me why you 02:48:43 21 didn't include MLS. I think you are, but I 02:48:45 22 want to make sure we have it in the record. 02:48:48 23 Would you explain to me why you 02:48:50 24 did not include MLS as one of your 02:48:52 25 yardsticks or benchmarks? 02:48:54</p>

Page 234

1 A. Yes. So, as I said, MLS went 02:48:56
 2 through a court case in 1999, and the 02:48:58
 3 District Court decided that it was a single 02:49:01
 4 entity. And they do all of their hiring, 02:49:03
 5 except Beckham exception players, through 02:49:10
 6 the central office. 02:49:15

7 That is to say, there is a fellow 02:49:16
 8 sitting in their office, their headquarters 02:49:18
 9 in New York City, who hires all the players 02:49:20
 10 and then allocates them to the teams, 02:49:24
 11 except for the Beckham exception players. 02:49:26

12 So it's basically a monopsony, 02:49:30
 13 maybe slightly modified at the edges. It 02:49:36
 14 would be an inappropriate benchmark for 02:49:39
 15 seeing what would happen in Zuffa if there 02:49:41
 16 were competitive labor markets because 02:49:44
 17 there are not competitive labor markets in 02:49:45
 18 MLS. 02:49:47

19 I think you asked me about tennis 02:49:49
 20 and golf as well? 02:49:50

21 Q. I also want to know why didn't 02:49:52
 22 you use professional tennis as a benchmark? 02:49:54

23 A. So I'll answer that with respect 02:49:57
 24 to men's tennis. And if you want to ask me 02:50:02
 25 about women's tennis afterwards, you can. 02:50:05

Page 235

1 Men's tennis is governed by the 02:50:09
 2 Association of Tennis Professionals, or 02:50:11
 3 ATP. They set the rules. They set the 02:50:14
 4 prize money. They collaborate with the 02:50:17
 5 grand slams. And if you want to be -- if 02:50:19
 6 you want to participate in the grand slams, 02:50:24
 7 if you want to be recognized in the major 02:50:27
 8 tournaments, if you want to be nationally 02:50:29
 9 and internationally ranked, you play in the 02:50:31
 10 ATP tournaments. They, too, are a single 02:50:34
 11 employer. 02:50:37

12 Q. Does the Men's Tennis Association 02:50:39
 13 have anything to do with determining -- 02:50:50
 14 what are the constraints that the men's 02:50:56
 15 tennis -- the ATP puts on the percentage of 02:50:58
 16 revenue that's paid to the men's tennis 02:51:01
 17 players? 02:51:05

18 A. They apply no such constraint. 02:51:05

19 Q. I have the same questions about 02:51:08
 20 professional women's tennis. How -- 02:51:11

21 A. Okay. However, if I could, what 02:51:13
 22 they set is the prize money, the purse. 02:51:16
 23 And each tournament has an expected 02:51:18
 24 revenue. So implicitly they're ballparking 02:51:21
 25 a share, but that's not what their policy 02:51:26

Page 236

1 addresses. Their policy addresses the 02:51:29
 2 amount that they pay. 02:51:31

3 In terms of women's tennis, it's 02:51:32
 4 largely the same situation. It's run by 02:51:33
 5 the WTA. And that also coordinates 02:51:36
 6 activity with the Tennis Association of 02:51:39
 7 England, Tennis Association of France and 02:51:43
 8 Tennis Association of Australia for the 02:51:47
 9 grand slams. It's a single employer. 02:51:49

10 Q. Why didn't you use NASCAR as a 02:51:51
 11 potential benchmark? 02:51:55

12 A. NASCAR is a monopoly in the 02:51:57
 13 stockcar racing industry. It is the sole 02:52:03
 14 sanctioning body. It also owns -- the 02:52:08
 15 people who own NASCAR, which is the France 02:52:11
 16 family, also own the International Speedway 02:52:16
 17 Corporation, which owns most of the tracks 02:52:19
 18 that NASCAR races on. And they, again, get 02:52:21
 19 to set prices. 02:52:24

20 Q. And why didn't you use any firms 02:52:34
 21 outside of sports as a benchmark? 02:52:37

22 A. I was looking for benchmarks and 02:52:43
 23 comparators that had as much similarity as 02:52:46
 24 possible with Zuffa, with MMA. 02:52:49

25 Q. And why would, for example, the 02:52:55

Page 237

1 Major League Baseball have more 02:53:04
 2 similarities to Zuffa than every other firm 02:53:07
 3 outside of sports? Is it just because it's 02:53:11
 4 a sport? 02:53:14

5 A. No. Their revenue streams are 02:53:15
 6 similar to each other. They're selling 02:53:18
 7 tickets, they're selling media rights and 02:53:21
 8 television rights. They're selling 02:53:25
 9 sponsorships. They have to cover on the 02:53:28
 10 cost side. They have to cover the cost of 02:53:29
 11 their athletic talent. They have to either 02:53:31
 12 rent or pay for in another way the 02:53:35
 13 facilities that they're playing in. They 02:53:37
 14 have to pay in one measure or another for 02:53:38
 15 the travel of the athletes. 02:53:40

16 But the structure and the nature 02:53:42
 17 of the items that are involved on the 02:53:44
 18 revenue side and the cost side are very 02:53:46
 19 similar. 02:53:48

20 Q. So why didn't you include any 02:53:48
 21 firms outside of sports that sell tickets 02:53:50
 22 and media rights? 02:53:53

23 A. Well, one of the reasons I didn't 02:53:55
 24 look further, other than to have a footnote 02:54:02
 25 about the movie industry, which you were 02:54:05

Page 238	Page 240
<p>1 kind enough to notice, is because I'm a 02:54:09 2 sports economist and I understand the 02:54:11 3 supports industry and I might have gone out 02:54:13 4 and looked for Showcase Cinemas, for 02:54:15 5 instance. They sell tickets. They don't 02:54:19 6 sell television rights, but they sell 02:54:21 7 tickets. 02:54:24 8 So I might have tried to find 02:54:24 9 some of those firms, but I don't know a 02:54:26 10 great deal about them. And I felt 02:54:28 11 comfortable with the nature of what happens 02:54:29 12 in the sports leagues and the team sports 02:54:34 13 leagues and in boxing to say that it's 02:54:36 14 sufficiently similar and that I can account 02:54:38 15 for and understand any differences with 02:54:41 16 Zuffa. And so I chose them. 02:54:43 17 Q. Is it fair to say that because of 02:54:46 18 your background and knowledge with sports 02:54:48 19 economics that you didn't investigate as 02:54:56 20 potential yardsticks firms that were out -- 02:54:58 21 that were not in the sports industry? 02:55:02 22 MR. CRAMER: Objection to form. 02:55:04 23 A. Part of the story is gaining 02:55:06 24 access to information. The sports industry 02:55:09 25 has an enormous amount that's written about 02:55:11</p>	<p>1 and cost structures, where I didn't 02:56:22 2 understand the nuances as well and where I 02:56:25 3 wouldn't necessarily get access to data. 02:56:27 4 Q. You've answered this question, 02:56:29 5 but that was such a long answer that need 02:56:32 6 to get it down to that last part. 02:56:34 7 You said you didn't go fishing, 02:56:37 8 because of the knowledge you already had 02:56:40 9 about the sports industry. You didn't 02:56:42 10 investigate the firms that would have been 02:56:44 11 potential yardsticks outside of the sports 02:56:46 12 industry; is that correct? 02:56:48 13 MR. CRAMER: Objection to form. 02:56:48 14 Asked and answered. He gave you the 02:56:50 15 answer. If you'd like him to restate 02:56:51 16 it, you can. 02:56:53 17 MR. ISAACSON: I would like him 02:56:54 18 to answer the question I just gave. 02:56:57 19 A. Yes, so I agree with part of your 02:56:59 20 answer, but you misstated or you 02:57:01 21 understated my response. As a part of it 02:57:02 22 had to do with similarity and a part of it 02:57:04 23 had to do with access to information. 02:57:07 24 Q. Is there some reason from the 02:57:09 25 point of view of economics that assuming a 02:57:13</p>
Page 239	Page 241
<p>1 it in detail. There are agencies out there 02:55:14 2 and magazines out there and reporters out 02:55:18 3 there like Forbes and like Spotcast, Spot 02:55:19 4 Track rather, that make it their business 02:55:23 5 to gather information from teams and 02:55:25 6 assemble data. 02:55:27 7 I also have contact with the 02:55:31 8 leagues and the labor associations, with 02:55:33 9 the commissioner's offices. I was able to 02:55:36 10 gather additional data from them. 02:55:39 11 What I always do when I do legal 02:55:42 12 consulting, when I do expert work is to try 02:55:47 13 to limit the amount of wasted time that I 02:55:50 14 engage in. And I felt, A, that it's the 02:55:52 15 sports industry and has the same basic 02:55:56 16 revenue sources and the same nature of 02:55:59 17 costs. 02:56:02 18 B, that I understand it. And I 02:56:02 19 understand some of the nuances of these 02:56:05 20 industries. 02:56:07 21 And, C, that I had much better 02:56:08 22 access to the data that I would need. So 02:56:11 23 that it made little sense in my mind for me 02:56:14 24 to go out fishing for some other industries 02:56:18 25 that might have similar structures, revenue 02:56:20</p>	<p>1 software company is in a competitive 02:57:17 2 industry and assuming a sports company is 02:57:19 3 in a competitive industry, that the 02:57:22 4 percentage of revenue paid to labor would 02:57:25 5 be different? 02:57:29 6 A. It has to do with the technology 02:57:30 7 of the production process. Right? I mean, 02:57:33 8 some production processes are very capital 02:57:37 9 intensive and some are very labor 02:57:40 10 intensive. Sports are very labor 02:57:42 11 intensive, as a general matter. 02:57:44 12 So I'd want to be comparing it to 02:57:45 13 industries that are similar in the sense 02:57:50 14 that they're labor intensive. Software 02:57:51 15 companies are probably pretty capital 02:57:53 16 intensive. You wouldn't expect the same 02:57:55 17 kind of labor share. 02:57:58 18 The labor share is determined by 02:57:59 19 the productivity of the labor times the 02:58:01 20 number of laborers. Productivity of labor 02:58:05 21 is much higher when it's more capital 02:58:08 22 intensive. 02:58:10 23 Q. Can I ask you to look at 02:58:11 24 Paragraph 91 of your report? 02:58:17 25 A. I'm there. 02:58:34</p>